

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1097 be amended to read as follows:

- 1 Page 2, between lines 6 and 7, begin a new paragraph and insert:
- 2 "SECTION 2. IC 6-1.1-17-1 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) On or before
- 4 August 1 of each year, the county auditor shall send a certified
- 5 statement, under the seal of the board of county commissioners, to the
- 6 fiscal officer of each political subdivision of the county and the
- 7 department of local government finance. The statement shall contain:
- 8 (1) information concerning the assessed valuation in the political
- 9 subdivision for the next calendar year;
- 10 (2) an estimate of the taxes to be distributed to the political
- 11 subdivision during the last six (6) months of the current calendar
- 12 year;
- 13 (3) the current assessed valuation as shown on the abstract of
- 14 charges;
- 15 (4) the average growth in assessed valuation in the political
- 16 subdivision over the preceding three (3) budget years, excluding
- 17 years in which a general reassessment occurs, determined
- 18 according to procedures established by the department of local
- 19 government finance; ~~and~~
- 20 **(5) information concerning credits applicable under**
- 21 **IC 6-1.1-21-5.7 to taxes first due and payable in the next**
- 22 **calendar year; and**
- 23 ~~(5)~~ **(6)** any other information at the disposal of the county auditor
- 24 that might affect the assessed value used in the budget adoption
- 25 process.

(b) The estimate of taxes to be distributed shall be based on:

(1) the abstract of taxes levied and collectible for the current calendar year, less any taxes previously distributed for the calendar year; and

(2) any other information at the disposal of the county auditor which might affect the estimate.

(c) The fiscal officer of each political subdivision shall present the county auditor's statement to the proper officers of the political subdivision.

(d) The officers of a political subdivision shall adjust the assessed value used in setting rates for the taxes first due and payable in a calendar year in which credits apply under IC 6-1.1-21-5.7 to eliminate or minimize levy reductions that would otherwise result from the application of those credits.

SECTION 3. IC 6-1.1-21-5.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 5.7. (a) The following definitions apply throughout this section:**

(1) "General reassessment" refers to a general reassessment of real property under IC 6-1.1-4-4.

(2) "Homestead" has the meaning set forth in IC 6-1.1-20.9-1(2).

(3) "Net property tax bill" means the amount of property taxes currently due and payable in a particular calendar year after the application of all deductions and credits, except for the credit provided by this section, as evidenced by the tax statements required under IC 6-1.1-22-8.

(4) "Physical characteristics" refers to physical characteristics of a homestead that bear on the determination of the assessed value of the homestead.

(5) "Preceding year tax" means the amount of the net property tax bill for a homestead in the calendar year that immediately precedes the calendar year in which property taxes are first due and payable based on a general reassessment.

(6) "Qualifying homestead" means:

(A) if subsection (g) does not apply, a homestead for which the reassessment tax is at least one hundred seventy-five percent (175%) of the preceding year tax; and

(B) if subsection (g) applies, a homestead for which the amount determined under subsection (g) of the reassessment tax is at least one hundred seventy-five percent (175%) of the amount determined under subsection (g) of the preceding year tax.

(7) "Qualifying individual" means an individual who is liable for the payment of the:

(A) preceding year tax; and

(B) reassessment tax.

(8) "Reassessment tax" means the amount of the net property tax bill for a homestead in the calendar year in which property taxes are first due and payable based on a general reassessment.

(b) A qualifying individual may receive a credit against the net property tax bill with respect to the qualifying individual's qualifying homestead in:

(1) the calendar year in which reassessment tax is first due and payable; and

(2) subsequent calendar years;

as provided in subsections (c) through (e).

(c) Subject to subsection (g), if the reassessment tax is at least one hundred seventy-five percent (175%) but less than two hundred fifty percent (250%) of the preceding year tax, the amount of the credit is the percentage from the following table multiplied by the amount by which the reassessment tax exceeds the preceding year tax:

YEAR IN RELATION TO THE YEAR OF LIABILITY FOR REASSESSMENT TAX	PERCENTAGE
Current year	50%
First following year and subsequent years	0%

(d) Subject to subsection (g), if the reassessment tax is at least two hundred fifty percent (250%) but less than three hundred twenty-five percent (325%) of the preceding year tax, the amount of the credit is the percentage from the following table multiplied by the amount by which the reassessment tax exceeds the preceding year tax:

YEAR IN RELATION TO THE YEAR OF LIABILITY FOR REASSESSMENT TAX	PERCENTAGE
Current year	67%
First following year	33%
Second following year and subsequent years	0%

(e) Subject to subsection (g), if the reassessment tax is at least three hundred twenty-five percent (325%) of the preceding year tax, the amount of the credit is the percentage from the following table multiplied by the amount by which the reassessment tax exceeds the preceding year tax:

YEAR IN RELATION TO THE YEAR OF LIABILITY FOR REASSESSMENT TAX	PERCENTAGE
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1	Current year	75%
2	First following year	50%
3	Second following year	25%
4	Third following year	
5	and subsequent years	0%

6 (f) Subject to subsection (g), the county auditor shall compute
7 and apply the credit under this section for each qualifying
8 individual entitled to the credit.

9 (g) If a change in physical characteristics occurred:

10 (1) after the assessment date for which the preceding year tax
11 was determined; and

12 (2) on or before the assessment date for which the reassessment
13 tax was determined;

14 the county auditor shall compute the credit under this subsection.
15 If the change has the effect of increasing the assessed value of the
16 homestead, the county auditor shall determine the reassessment tax
17 for purposes of subsections (c), (d), and (e) based on a homestead
18 assessed value that excludes the assessed value resulting from the
19 change. If the change has the effect of decreasing the assessed value
20 of the homestead, the county auditor shall determine the preceding
21 year tax for purposes of subsections (c), (d), and (e) based on a
22 homestead assessed value that would have applied if the change
23 occurred before the assessment date for which the preceding year
24 tax is determined. The township assessor shall assist the county
25 auditor in determining assessed values used in this subsection.

26 (h) If the qualifying individual resides in the homestead with the
27 qualifying individual's spouse, those individuals are together
28 entitled to one (1) credit under this section for the homestead.

29 SECTION 4. IC 6-1.1-21-7 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) Notwithstanding
31 IC 6-1.1-26, any taxpayer who is entitled to a credit under this chapter
32 or who has properly filed for and is entitled to a credit under
33 IC 6-1.1-20.9, and who, without taking the credit, pays in full the taxes
34 to which the credit applies, is entitled to a refund, without interest, of
35 an amount equal to the amount of the credit. However, if the taxpayer,
36 at the time a refund is claimed, owes any other taxes, interest, or
37 penalties payable to the county treasurer to whom the taxes subject to
38 the credit were paid, then the credit shall be first applied in full or
39 partial payment of the other taxes, interest, and penalties and the
40 balance, if any, remaining after that application is available as a refund
41 to the taxpayer.

42 (b) Any taxpayer entitled to a refund under this section **other than a**
43 **refund based on the credit under section 5.7 of this chapter** shall be
44 paid that refund from proceeds of the property tax replacement fund.
45 However, with respect to any refund attributable to a homestead credit,
46 the refund shall be paid from that fund only to the extent that the
47 percentage homestead credit the taxpayer was entitled to receive for a

1 year does not exceed the percentage credit allowed in
2 IC 6-1.1-20.9-2(d) for that same year. Any refund in excess of that
3 amount shall be paid from the county's revenue distributions received
4 under IC 6-3.5-6.

5 (c) The state board of accounts shall establish an appropriate
6 procedure to simplify and expedite the method for claiming these
7 refunds and for the payments thereof, as provided for in this section,
8 which procedure is the exclusive procedure for the processing of the
9 refunds. The procedure shall, however, require the filing of claims for
10 the refunds by not later than June 1 of the year following the payment
11 of the taxes to which the credit applied."

12 Page 3, after line 8, begin a new paragraph and insert:

13 "SECTION 5. [EFFECTIVE JULY 1, 2005] **IC 6-1.1-21-5.7, as**
14 **added by this act, applies only to a general reassessment of real**
15 **property under IC 6-1.1-4-4 that occurs after July 30, 2005."**

16 Renumber all SECTIONS consecutively.

(Reference is to HB 1097 as printed January 14, 2005.)

Representative Orentlicher